



Legal & General to invest over £2bn of pension funds into affordable homes over next five years

Investments will provide over 10,000 new homes across the UK

Legal & General Retirement Institutional (“LGRI”) today announces its plans to invest a further £2 billion of retirement funds into affordable housing over the next five years, helping to create more than 10,000 new homes nationwide and working towards levelling up the UK through Legal & General’s purpose of inclusive capitalism.

The investment, through Legal & General’s wholly owned subsidiary, Legal & General Affordable Homes (“LGAH”), will help to tackle the huge shortage of affordable housing that currently exists – 1.2 million households are currently on social housing waiting lists in England. The funding will be used to support further growing demand for homes both for social and affordable rent as well as providing a subsidised route to ownership through shared ownership.

The National Housing Federation and charity Crisis estimate that 145,000 new affordable homes need to be built every year to meet demand whilst barely a third of that figure, c.45,000 homes, were delivered in 2020/21.

Legal & General and the UCL Institute of Health Equity recently launched [The Business of Health Equity: The Marmot Review for Industry](#), that outlines the vital importance of quality housing and infrastructure on health and wellbeing, thereby significantly improving economic growth.

Andrew Kail, Chief Executive Officer, Legal & General Retirement Institutional (LGRI)

“The UK has a huge shortage of affordable homes. Today’s announcement demonstrates how Legal & General Retirement Institutional, by putting inclusive capitalism at the centre of its investment focus, will help to address some of this problem.

Legal & General is committed to building a better society for all by investing in useful and sustainable assets that will benefit both today’s society and future generations, whilst investing hard earned pension savings and securing the pensions of thousands of scheme members.”

In 2020 LGRI made a first £100m funding commitment to affordable homes. In 2021, a further £270 million was committed to invest into 1,400 new affordable homes across the UK to be delivered by 2024.

Legal & General’s report, ‘[The Power of Pensions](#)’ published in June 2020, found that pension money could be invested into socially useful assets, including housing, creating a virtuous circle whereby pension funds drive demonstrable benefits that can help younger generations.

This announcement comes following [LGRI’s announcement to target a further £2.5bn of pension money into Build to Rent developments](#), creating over 7,000 new homes over the next five years.

Ben Denton, Chief Executive, Legal & General Affordable Homes

“This is a great example of how Legal & General is making a significant difference to people’s lives and their communities by building new affordable homes and providing housing for those most in need. We are also working to maximise the number of low carbon homes we build and we have committed that all new affordable homes we develop will be Net Zero Carbon by 2030.

There is still a massive need to deliver more affordable housing to help the 1.2 million households on the social housing register.”

LGAH recently published an [affordable housing whitepaper in partnership with the British Property Federation \(“BPF”\)](#), which found that 145,000 more homes are needed every year to plug England’s affordable housing gap.

This will require an estimated additional funding of around £34 billion. The whitepaper calls for the Government, housing associations and institutional investors to enable increased delivery.

All Legal & General's affordable homes are created to a high standard and strive to meet best in class affordable homes – which are assessed against multiple quality criteria, including accessibility and sustainability – and are set to target net-zero carbon by 2030 by introducing air-source and ground source heat pumps.

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.4 trillion in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** As at 31 December 2021*

About Legal & General Retirement Institutional

Legal & General Retirement Institutional (LGRI) works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of buy-ins, buyouts and other de-risking solutions.

Our UK Retirement annuity book stands at over £89 billion as at 31 December 2021, of which over £28 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level.

About Legal & General Capital

LGC is Legal & General Group's alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted returns for our shareholders. LGC has built its capabilities in a range of alternative sectors, including in residential property; specialist commercial real estate; clean energy; alternative credit; and venture capital, which are all supported by long-term structural growth drivers, meet a financing gap and respond to a scarcity of supply that is underpinned by enduring societal needs.

Its purpose is to invest society's capital for society's benefit. Investing in the real economy and supporting the Group's focus on climate and inclusive capitalism, LGC's investments create jobs, change lives and contribute towards a net zero carbon future.

Legal & General has invested over £30bn in levelling-up regional economies, including through major UK-wide regeneration schemes and has recently made a commitment to enable all its new homes to operate at net zero carbon emissions from 2030.

(As at 31 December 2021)

Further information

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